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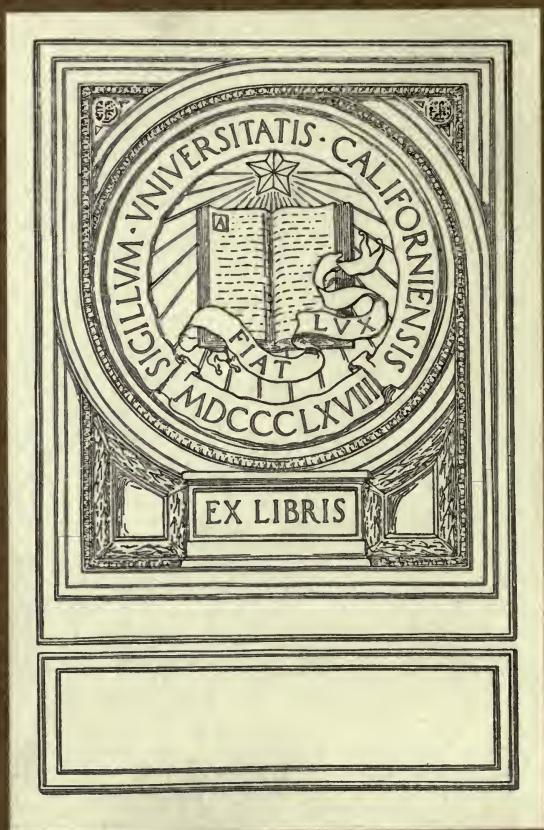
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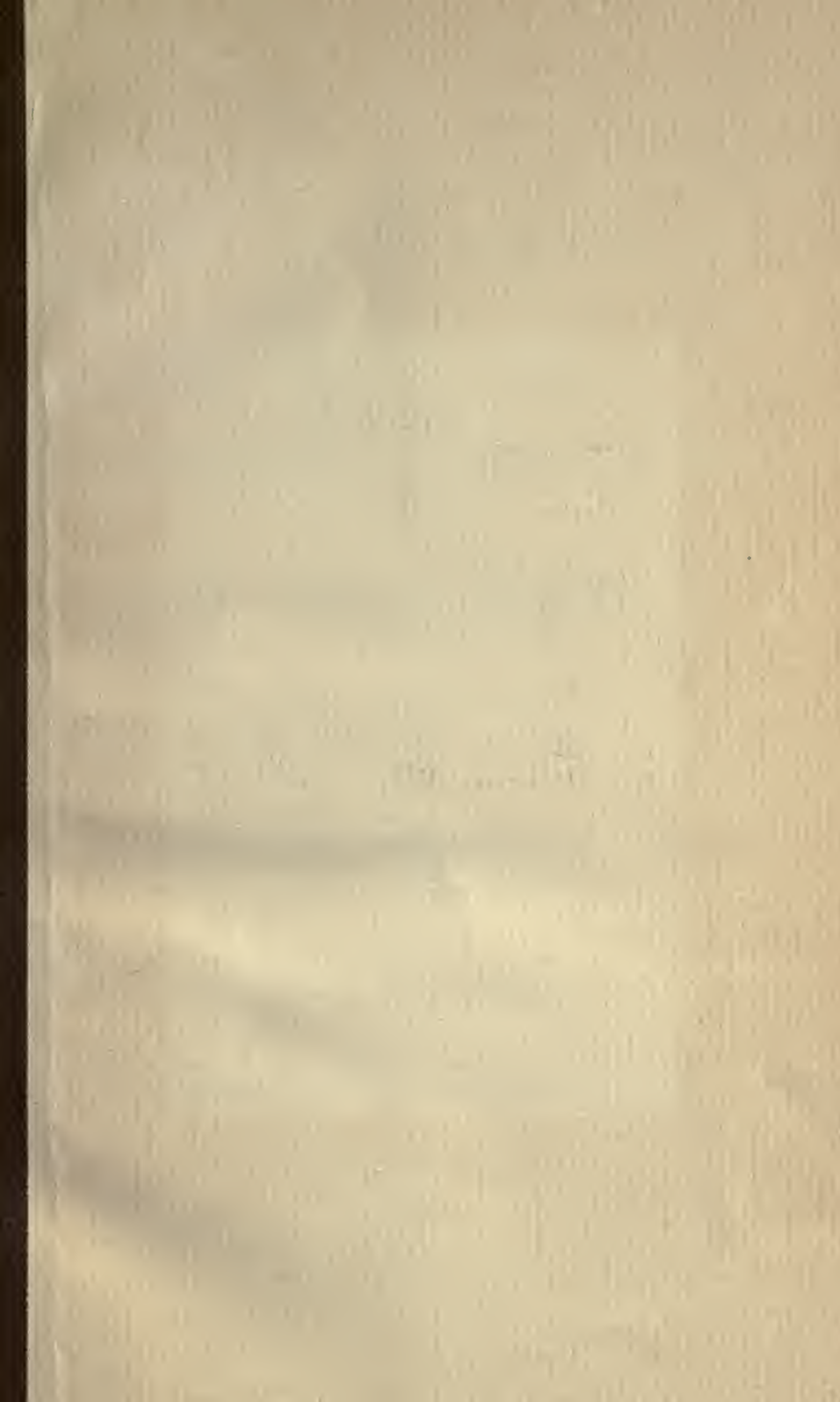
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NOTE ON THE QUESTION

OF

PROHIBITING THE EXPORT OF
FOOD DURING FAMINE.

UNION OF
CALIFORNIA

BY

SIR GEORGE CAMPBELL.

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UNIV. OF
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MY NAME has been much coupled with the question of the prohibition of the export of food grains from Bengal. And it has been several times remarked that the arguments by which I supported that course have never been made known. The truth is, that I have never fully argued the matter. In the first instance, I strongly recommended the prohibition; but at that time, in dealing with the great calamity which had befallen the country, I did not stop to argue at length, I rather looked on the measure as one, the advantages of which were self-evident, and in respect of which the onus of proof, as it were, lay on the other side, *i.e.*, so manifest advantages must be met by the allegation of counter-acting disadvantages which did not occur to me.

His Excellency the Viceroy, on the other hand, seemed to look on the matter as one not admitting of argument. On all other subjects connected with the threatened famine, His Excellency invited free discussion with the Government of Bengal and its principal officers. On this one subject he precluded discussion. I can well imagine that to a man bred in the inner sanctum of that great modern commercial school, which has done so much to benefit the world, but the doctrines of which may, I think, like other things, be pushed to extreme, the proposition which

I made may have seemed like a rude assault on the fundamental doctrines of religion—a thing not to be argued. At any rate, at that time, His Excellency declined to argue the matter, and, considering discussion and agitation of the subject very inexpedient, he met the proposal by a simple but very decided negative. As a loyal subordinate, I forebore from argument at that time. I gave up the case as altogether hopeless; it really might be that the rise of prices would check exports, and I applied myself to the abundant work which lay before me in the course prescribed by superior authority.

At a later period, the then Secretary of State, the Duke of Argyll, in announcing to me that to His Grace and his advisers the course followed by the Government of India seemed to be the right one, remarked:—"to be sure, we have not heard the arguments on the other side,"—and then I felt that perhaps I was wrong in not having put my views fully on record. A man who is overwhelmed by much action may, however, perhaps be excused the omission of detailed argument. By the time it was apparent to me that argument might not have been out of place, Her Majesty's Government in England had decided the matter. The time had passed when, in my view, the prohibition would have been a clear gain, and there was no longer room for argument.

Now that the question has, for the present, wholly passed by and become matter of history, and when I have ceased to hold the office in which it was raised, I think that I may properly state the

arguments by which I justify the proposal for which I am responsible. The exports did continue to an amount even greater than I had feared, and after much experience of, and reflection on the matter, after narrowly watching all that has been said on the other side, I must say that I am more firmly than ever convinced that the course which I urged was the right one, and would have been attended with overwhelming advantages and no considerable disadvantages. In this view, then, I wish to state my case. I shall be pardoned if I argue it with perfect freedom, speaking as if I were my own counsel.

First, I will put briefly the facts of the case. To begin with it, must be quite understood that the proposal to prohibit the export of food involved no violation of the law, nor any exercise of power for which express provision is not made. The power to prohibit the export of any article whatever is very expressly given by law, to the Governor-General of India in Council; and this not by some antiquated and forgotten law, nor by one of a political character, but by a very modern re-enactment, expressed in clear and unmistakable terms,—the consolidated law regulating customs' duties and commercial matters. I proposed, then, but an action for which the wisdom of the Legislature had provided.

My first proposal was to prohibit the export of food grains from all India. At that time (in October) it was not improbable that the famine would have been very much greater than has, we hope, proved to be the case. There was an absolute concurrence

of all the most reliable opinions that without rain the cold weather crops could not be sown. Throughout almost the whole of Bengal proper there was universal fear of an extreme failure of the rice crops. If these fears had been realized to the full, there can be no question that every grain available throughout the Indian dominions would have been most emergently wanted. As it is, I think, general prohibition for a time would have been very beneficial, for it would have enabled us to obtain an immediate considerable supply from Burmah, without waiting for the new crops; whereas, in fact, we were unable, from the limited stores of the old crop, to get much without violent disturbance of the market. We did not get it; and consequently, in the early part of the season, very much most valuable time was lost, and much expense incurred in importing from Saigon, at an excessive price. As things turned out, I would have relaxed the prohibitions in Burmah, in time for the operations of the new crops. I might also, possibly, have made an exception in favour of the trade between Madras and Ceylon.

Seeing the hopelessness of any acceptance of my first proposition, I submitted, a few days later, another definite proposal, viz., that the exports of food grains from Bengal only should be prohibited. I omit farther argument on my first proposal, and take my stand on this latter only.

It is this, then, that I shall argue, viz., the prohibition of export of food grains from Bengal.

That measure not having been adopted, the

export proceeded in November, and it was very brisk throughout the months of December, January, and February. It was not so great as in a plentiful year, it is true, but the difference was less than might have been expected. The previous year, 1872-3, was one of plenty, in which the exports much exceeded the average,—the comparison, therefore, is hardly fair,—but, comparing these two years, a return prepared for the Government of India shows that from 1st October, 1873, to 28th February, 1874, 173,161 tons of food grains were exported from Bengal against 241,618 tons in the corresponding period of the previous year. The reduction is only a little more than one-fourth—about 28 per cent.

Omitting October (since my proposal was not made till the latter part of that month), but including March, the export from Bengal from 1st November to end of March was a little over 172,000 tons. I may assume that, before the end of the season, it will exceed 200,000 tons ; but I will take that round figure for argument. It is true that, against this export we may set a still larger import made by Government. We have seen the strange spectacle (and to my view it is a spectacle so unnatural as forcibly to suggest something wrong) of fleets of ships carrying away rice from the Hooghly crossing other fleets carrying rice into the Hooghly. Yet, when we come to compare dates, we find that the compensation is by no means complete.

Private import trade there has been practically none ; with the exception of a very few small parcels and samples, the imports have been entirely on

Government account. Of this Government import there was scarcely any in November and December, and but little in January, to set against the great exports. It was not till February that the Government imports became large and weighed against the exports. Still, at the end of February the imports were scarcely more than half the exports, counting from the commencement of the scarcity. In March the imports were very large, while the exports fell off, and thus the imports and exports were brought to an equality. But it was not till the end of March that this result was effected. Throughout the previous months the grain supply of the country was very seriously diminished by exports, and the flow of grain being seawards, the flow north to the distressed districts was prevented. There happened, what I from the very first pointed out must happen, that is to say, throughout the period from the end of October to February, the means of transport were most insufficiently used, the railway was not working up to anything like its full power, and much precious time was thus lost, while later in the season the Government supply is more than can be carried without great interference with the private trade.

Great authorities, both official and non-official, have asked why we did not buy up the grain which was exported, and send it up to the famine districts, instead of letting it be carried away. My answer is very simple. I tried to do this, but found it impossible to do so without producing the very famine which I sought to avert. In all countries Government operations seem to affect the market more

than those of private individuals, in India it is so especially. Imports being delayed, I tried to buy, and did buy, as much as possible in the country, in order to send up food at once. I found the very greatest difficulty in getting some 40,000 tons; it was only by constant search in every market that we got so much, and then the result was to bring up the price to a point higher than it has reached before or since. Foreigners will pay for food, to go to countries where wages are high, a price that is famine price to a starved Bengalee. I have no hesitation in saying that if we had persevered in buying more than we did in November and December, we should have had a famine then instead of now.

What happened then, was this,—a large quantity of grain was taken out of the Bengal markets, and exported early in the season; that grain was replaced by imports, at a great expense, later in the season. I say that neither in point of early supply to the distressed districts, nor in point of finance, is this later supply the same thing.

The advantages of retaining the food needed by a starving people are, I still think, self-evident. The only question is, do the disadvantages of the course proposed preponderate? And this is the view taken by Her Majesty's Government in England. I have not at this moment the letter to refer to, but it amounted to this,—that the advantages were not sufficient to justify the great evils attending interference with the free course of trade. The question then reduces itself again to this,—what are these evils? I have nowhere seen them cate-

gorically stated ; but, by diligent search, I have been able to discover only those which I give below. I do not take into account the ethical sin against the principles and dogmas of free trade. I look only to practical, material evils ; and, in this light, I boldly affirm that there really would have been no evils of much weight.

I was first led to suspect what I venture to think the weakness of the opposite side of the case by observing the very roundabout and fanciful character of the only argument which for some time held possession of the field,—that put forward by my respected friend, Sir B. Frere, who said that the prohibition would prevent imports, since no one would import with the fear before him that he would not be permitted to re-export. This is very simply answered by the fact that, although there was no prohibition, there have been no imports worth mentioning, and, consequently, no re-exports or question of re-exports. The expectation of private trade from beyond sea has proved a mere delusion.

Next, there comes a very grave and serious argument. Trade, it is said, is a delicate plant—or, perhaps, it would be a simile more easily applied, to say a shy bird ; interfere with her, refuse her a resting place for a season, and she will fly away, and never come back again. I admit that this may be, and sometimes is, the case in respect of very special and peculiar articles of manufacture which owe their seat to fashion or accident. But I utterly deny that it is so in regard to an article of the prime and most universal necessity—the most cosmopolitan of

food grains. I say that if, in Europe or America, the export of wheat from any country were stopped for a year the customers would not, in disgust, fly away for ever. They would act on no such sentimental or bird-like feeling. They would come back the moment the cheapest and best wheat is offered. Still more so is it with rice—an article for which the demand is continually increasing, and for which all the western world must come to India.

There is one result of this kind, and only one, which might, possibly, to some extent have followed the prohibition of the export of rice from Bengal. Some of our customers in the West Indies, Mauritius, &c., have what may, perhaps, be called a prejudice in favour of the particular kinds of rice grown in Bengal—they *will* have these kinds, and nothing else. The prohibition might have driven them to Burmah; they might have learned to eat Burmah rice, and hereafter they might have dealt in Bengal rice with less reference to prejudice, and with more regard to its real merits and cheapness.

If this had happened, I very greatly doubt if the effect would have been bad. Our Bengal provinces are so densely populated, and they produce so many valuable articles sought for in commerce, that the difficulty is not to use our land, but to find land for all that it is desired to grow without interfering with the food of the population. The demand for jute seems to go on increasing without limit—the cry is that it is displacing rice to a dangerous extent. In the cultivation of indigo and opium, and other things, the constant struggle is to get more land. There is

hardly an indigo planter in the country who would not at once double his cultivation if he could get the land. When there is this struggle among the more valuable staples, the rice export is only valuable in so far as it gives us a surplus to fall back upon in times of scarcity. But if we have, as the present season has shown to be the case, inconvenient customers, who *will* carry off our rice whether we need it ourselves or not, the sooner we get rid of such customers the better. I say, cure them of their prejudices as soon as possible; we want no custom for food depending on prejudice. Let them judge our rice by its merits. If Bengal rice is better and cheaper than any other rice they can get, let them take it when we can spare it; when they can get more for their money in Burmah, let them go there. They will find there a country whose capacities are for rice—capacities almost unlimited, if they be but developed by some of the populations which India can well spare—a country which will supply them, and, supplying them, will add very greatly to the Indian revenues and resources.

In the above I have incidentally met the argument that if we had prohibited the export of Bengal rice our colonies must have been starved—they would have gone to Burmah, and got there the rice which the Government has now taken. They would not have gone to Saigon for the rice which our Government has procured there, because it has cost much dearer. In truth, the Saigon production is small compared to the Indian, and it has no chance against Burmah rice in the markets west of Singapore.

Only in case of prohibition of export from Burmah also, would our colonies have gone to Saigon and California.

Another argument against prohibitions, is, that it would unduly interfere with private bargains, and disarrange private interests. Merchants who come to India are bound to take notice of the law which enables Government to prohibit exports if need be. But still I admit, that to have adopted such a measure in the height of the trading season would have been a great evil. It so happened, however, that the time at which I recommended the prohibition was that at which the trade is the dullest. In October the past season's bargains have nearly come to a close,—the ships with orders for the new season have not arrived. At that time the prohibition might have been proclaimed with the very minimum of disturbance of private interests. In fact, there would have been scarcely any such disturbance. In addition to the natural dulness of the season, there was a sudden rise of prices and lull in bargains. The great majority of the merchants were in favour of prohibition. I believe there would have been scarcely any complaint. The producers certainly would not have complained. Native opinion was absolutely unanimous on the subject. Another suggestion is incidentally thrown out by Lord Northbrook, viz., that the prohibition by cheapening prices would have unduly stimulated consumption. I must respectfully express my belief that the cheapening in lower Bengal would have gone no farther than to promote a healthy flow of

trade to the distressed districts, and would not have led to an undue and excessive consumption by poor people, to whom the price would have been but a little less severe than, in fact, it has been. I will return to that point presently. I can honestly say that, cast about as I may, I have been able to find no farther arguments against prohibition than the above, and it will be seen that by these I am not convinced.

I will now attempt to compare the effects which would have followed the prohibition of exports, with those which have in fact attended the opposite course. It is clear that the prohibition would have retained in the country some 200,000 tons of food, which have been, or shortly will be exported, and which it has been necessary to replace at a great cost. The quantity may not be so very great when compared with the consumption of the whole of the Bengal provinces; but as a quantity which must have been brought to market, it would have much affected the course of trade. While I have never believed in private importations of food from beyond sea, because the conditions are against any such trade, I have always had great faith in the activity of the internal trade. The cases in which that trade has failed are extremely exceptional. Orissa was extraordinarily isolated and peculiarly unmercantile, but the Indian races are generally mercantile in the extreme, all the Hindustanees are particularly so. I may say that in all the famines of the north-west provinces, food has been supplied by the private trade alone, Government only

finding labour and wages. Throughout the present scarcity nothing has been more marked than the very great readiness with which the petty native dealers have acted on every turn of the grain market ; they have even imported into Behar both from the Punjab and from Bengal, when it was difficult to see in the prices much margin of profit. Whenever they have ceased to do so, or done so to but a limited extent, it has been because prices clearly did not admit of prudent transactions. The produce available for export was the rice surplus of the coast districts of Bengal, which the drought did not affect, and some wheat which was exported from Bhagurpore and other districts of Behar, even when the people were starving there. This wheat would have been retained where it was wanted, and I need say nothing more of that. The surplus rice of the coast districts would have come into the market as usual, and not being permitted to flow out seawards, being as it were dammed up on that side, it would have flowed out on the other side (that is to the distressed districts) as surely as water, dammed upon one side, will flow out on the other to find its level. I feel it to be a matter as certain as a mathematical demonstration, that if the accumulation in Calcutta of rice usually exported had established, in the cold weather months, a difference of 20 or even 10 per cent. in price between Calcutta and the famine districts, the railways would have been overburdened with the traffic to the latter districts, as they were before and after. The fact was otherwise ; the demand

for export brought the Calcutta price almost or quite to a level with the Patna prices, and the trade upwards was almost stopped for some months. It was like an attempt to draw from a reservoir with a great gap in its rear.

If the railways and rivers would certainly have carried to the north the dammed up surplus of lower Bengal, I look on it as equally certain that the petty local dealers would have most efficiently distributed this food in the distressed tracts. In Behar (a Hindustanee country, and the tract of greatest need) I can answer, from personal observation, that great merchants may not undertake great mercantile operations in European style beyond the line of railway; but I never saw a country where the local and popular trade more actively utilized even the smallest margin of profit. When I was in Tirhoot, in March, the bazaars were abundantly supplied with foreign grain (chiefly from the coast, where export to sea had not drained the supply) brought in by every crevice, on cart, and bullock and donkey-back, till the great Government pressure for carriage began to interfere with this trade. I am satisfied that all the rice which could have been deposited at railway stations, at a price leaving a profit on importation into the distressed tracts in the north, would have been greedily carried off. As it was, very little rice was imported. Nothing but the western grains seemed to have reached the famine tracts of Tirhoot.

If private traders were willing so to import, Government might have, at least, by so much diminished

its supply and left the carriage and the work to them. I believe I am safe in saying that 200,000 tons thus privately imported by a good and healthy flow, commencing early in the season, would have done more good than 300,000 tons imported later by Government with much pressure and interference with private trade; for all the recent reports show that this trade has been most seriously interfered with.

If I had had my way then, I would have secured this 200,000 tons by natural flow, and would have confined Government importations to the more moderate quantities required for the actual use of the people, to whom I would still have given work, and to some extent, perhaps, for poor-houses for the very poor needing support in a country well supplied by private trade. I would also have established, later in the season, some considerable reserves in Calcutta, which might be sold to advantage, in case of scarcity, in unforeseen quarters or re-exported at comparatively little loss, if, happily, such need did not arise. More than this, I believe, I should not have thought it necessary to do, as things have turned out. The whole operation would have involved a comparatively small expense, and infinitely less derangement of trade and interference with the habits and self-reliance of the people than the other course must, I fear, necessitate.

Let us see, then, that other course. I understand its main defence to be this, that it was unnecessary to prohibit exportation, because the same end is gained by Government importation. I at once

admit that the Government of India has arranged to import and to supply to the distressed districts all that I have deemed it prudent to ask for, and more. I state frankly that my estimates have been exceeded. I am now sanguine that, by very great exertions, we have so arranged our transport that the great quantities ordered may be distributed to the relief centres in time. If, unhappily, disaster should arise, I am inclined to think that it is more likely to result (perhaps where we least expect it) from the stoppage of trade which the great Government pressure for carriage is now causing in some quarters, than from deficiency in those quarters which the Government has undertaken to supply. But putting aside such possible evils, which I trust may never be realized, is the result the same as the other? I think not. It seems to me that there is too great a disposition on the part of some people who have not to pay the bill to put the question of cost out of sight, to treat the matter as if the Viceroy were a benevolent person who says, "I will not feed these people from one source, because I do not think it is for their good; but from another source I will feed them amply, and it comes to the same thing." In truth, the bill of cost is a very different thing. I submit that the course of buying and importing and distributing a supply of food, which the mere prohibition of exports would have provided without cost, involves a loss of several millions sterling, which, until the British taxpayer is willing to pay, the Indian Ryot must pay, and that is no light matter.

Then I say that the distribution, late in the

season, of immense quantities of food by Government, is not only a most difficult task, but must have an effect in pauperising the people and diminishing their habits of self-reliance far greater than would have been the case if we could have relied on private trade for the general supply, and confined ourselves to giving work and food to those willing to work, and charity to proper objects of charity. I say, farther, that the excessive provisions offered by Government must lead to demands in the future, and to financial embarrassments far greater than those which directly result from the expenditure of the present season.

This, then, is my case. I argue that by the simple, legal, and inexpensive step of stopping the export of food grains from Bengal in the end of October last, of which no one would have complained, we might have diminished by two-thirds the supply of Government grain now deemed necessary; might have saved the greater part of the expense which we have incurred; might have avoided interference with, and, on the contrary, greatly promoted, the internal private trade; and need not have directly assisted the people to nearly so great an extent as must now be the case, nor so much have trenched on their independence and so much have taught them to rely on the Government.

Liberavi animam meam. I trust that I have zealously, and to the very best of my ability, followed out the course which has been prescribed to me, and done my utmost to render that course successful. Although it has not been permitted to me to see

that success finally achieved, I am very hopeful that I have left the preparations so forward that success may reasonably be looked for. I trust that I have acted loyally, and I heartily testify to the zeal and energy of the Viceroy in saving the people committed to his charge; but, on the one point on which we have seriously differed in opinion, I have now tried to show that, by the course which I recommended, the end, which we all sought, might have been more advantageously attained.

GEORGE CAMPBELL.

STEAMER "PEKIN,"
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